Statement-II

The percentage of ATMs installed by Public Sector Banks in metropolitan cities, semi-urban and rural area-wise. as on December 2007

	Metro Centre	Urban Centre	Semi-urban Centre	Rural Centre	Total
No. of ATMs	6346	7524	5001	1176	20047
Percentage of ATMs	31.66	37.53	24.95	5.86	

Levying of VAT on foodgrains

1902. SHRI K. CHANDRAN PILLAI: Will the Minister of FINANCE be pleased to state:

(a) whether Value Added Tax (VAT) is levied on the foodgrains under Antyodaya Anna Yojana;

(b) if so, the details thereof;

(c) whether the imposition of tax puts additional financial burden on the State Governments;

(d) if so, whether Government is considering waiving off taxes on the foodgrains under this scheme;

(e) whether Government is considering compensating the Sates on the levied tax; and

(f) the response of Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) State VAT, being a tax on sale or purchase of good within a State, is a State subject by virtue of Entry 54 of State List of the Constitution. The VAT rates, the list of extempted items etc. are therefore determined by the States through their respective legislations. An Empowered Committee of State Finance Ministers (EC) has been constituted to deliberate upon and decide all matters concerning State VAT. The Empowered Committee monitors all the issues related to VAT. The Central Government has no direct role to play in this regard, except that of a facilitator.

(d) to (f) There is no proposal to compensate States separately for different items such as foodgrains. The compensation package agreed upon between the Centre and the States takes into account the total drop is VAT collection consequent on introduction of VAT.

Operation of infrastructure funds by mutual funds

1903. SHRI S.S. AHLUWALIA: Will the Minister of FINANCE be pleased to state:

(a) whether, as per announcement in his Budget 2007-08 proposals, Mutual Funds (MFs) are permitted to launch and operate dedicated infrastructure funds;

(b) if so, the salient terms and conditions imposed, if any, for pre-and post-launch of such MF's to mop up public savings and for operation of such funds, indicating incentives such MFs are eligible to;

(c) the details of MFs granted permission to launch such funds showing volume of